



# Department of Justice

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## **JUSTICE DEPARTMENT APPROVES MODEL CONTRACT PROPOSAL FOR MOTOR CARRIERS**

WASHINGTON, D.C. -- The Department of Justice today approved a proposal by the American Trucking Associations (ATA) to develop and circulate a model contract to its members to help increase efficiency in contract negotiations. The motor carrier members of the ATA could use the model contract provisions in negotiations with their customers.

The Department's position was stated in a business review letter from Charles A. James, Assistant Attorney General for the Antitrust Division, to counsel for the ATA. The ATA is the national trade association representing the interests of motor carriers, state trucking associations, and national trucking conferences.

The ATA will offer the proposed model contract containing common contract provisions to its motor carriers members. The use of individual provisions or the entire model contract would be left to the unilateral voluntary decision of each carrier. All rate-related terms and charges in the model contract would be left blank for individual negotiation by the carrier and its shipper customers. Further, the Department noted the potential for the model contract to produce procompetitive results by promoting more efficient negotiations and reducing transaction costs.

"Since the model contract does not contain any rate-related provisions, and since use of the contract or any provision will be left to the determination of each company acting independently, making the model contract available to the trucking industry is not likely to reduce competition," said James.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, Suite 215, Liberty Place, 325 7<sup>th</sup> Street, N.W., Department of Justice, Washington, DC 20530. After a 30-day waiting period, the documents supporting the business review will be added to the file, unless a basis for their exclusion for reasons of confidentiality has been established pursuant to Paragraph 10(c) of the Business Review Procedure, 28 C.F.R. § 50.6.

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